

**Forest Certification Work Instruction****Date of Draft Document:****Effective Date:** August 5, 2005**Revision Number:** 1**Supersedes Version Dated:** June 20, 2005**Work Instruction Title:** 7.2 Legal Compliance and Administration of Contracts**Work Area Group:** 7 - Integrated Implementation

**Purpose:** To articulate DNR's performance standards for administering service contractors on State Forest land or facilities. Timber sale contracts are also covered in the Timber sale checklist and sale administration procedures work instruction.

**Work Instruction:****Legal requirements:**

- 1) Statement of commitment. MDNR will comply with all applicable Federal, State, and local laws and regulations including those that govern employment practice and worker safety.
  - a) Policy and procedures reflect Federal and State legal requirements available at [http://www.michigan.gov/dmb/1,1607,7-150-9131\\_9347-29674--,00.html#2400](http://www.michigan.gov/dmb/1,1607,7-150-9131_9347-29674--,00.html#2400). Further direction is provided via these work instructions.
- 2) Legal and other Requirements shall be reviewed through the annual Management Review process.
- 3) Protection from illegal activities.
  - a) Illegal activities are to be reported by employees who observe them to the local unit manager at the earliest possible opportunity. Illegal activities include but are not limited to the following: illegal ORV use, unauthorized cutting of trees or firewood, unauthorized land use, encroachment or trespass, or unauthorized burning.
  - b) Forest ownership boundaries are to be clearly established before any timber harvesting or other management activity is conducted adjacent to neighboring owners.

In addition to these legal requirements the following measures are taken to help meet our obligations to personal and environmental safety.

**Contract fairness:**

- 1) Equal access, equal opportunity, fair labor laws
  - a) Michigan's Equal Employment Opportunity Plan provides fair employment and training opportunities to DNR employees
  - b) DNR Administrative Procedure 13.01-01 - DNR Procurement Quick Reference Guide and DNR Administrative Procedure [13.01-02 - Acquisition of Commodities and Services Implementing Executive Directives 2004-8, 2004-9](#) assures that all vendors have equal opportunities to bid on providing commodities and services to the State.
  - c) State and department purchasing policies require service and commodity contractors to comply with all applicable state and federal labor laws.
  - d) Timber sales, timber sale prep and other contract opportunities are offered on an open, competitive bid process, in a variety of sizes and across the geographic extent of the State Forest system to provide broad access to state contracts.
- 2) Insurance requirements
  - a) Timber Sale policy requires that stumpage purchasers complete DNR, FMFM Form PR 4031-5 Timber Sale Verification of Worker's Disability Compensation Act Compliance within 21 days of stumpage purchase award. On this form, stumpage purchasers certify that: 1) they are not subject to the Worker's Compensation Laws, or 2)

they are excluded from Worker's Compensation Laws and provide a Notice of Exclusion, or 3) they have a Worker's Compensation Policy and provide an original Certificate of Insurance.

- b) State and Department policies specify insurance requirements for contracts. State policies are found at [http://www.michigan.gov/dmb/1,1607,7-150-9131\\_9347---,00.html](http://www.michigan.gov/dmb/1,1607,7-150-9131_9347---,00.html). Department policies are found at <http://dnrintranet/pdfs/divisions/fosb/asdproc/series13.htm>. These policies require that service and commodity contractors carry liability insurance. Proof of liability insurance must be verified before contracts are executed.
- 3) Dispute resolution
- a) Disputes between contractors and the State of Michigan are handled following the procedures detailed in the Department of Management and Budget website called "Doing Business with the State of Michigan" [http://www.michigan.gov/doingbusiness/0,1607,7-146-6592\\_8522---,00.html](http://www.michigan.gov/doingbusiness/0,1607,7-146-6592_8522---,00.html).
- b) Disputes between employees and their managers are resolved following existing union contracts and department policies. Disputes between the employees of contractors and their managers are resolved following the applicable policies of the contractors.

**Chain of custody.** Stumpage purchasers shall be notified that under FSC's Chain of Custody standards they may be required to show evidence that their wood comes from a certified source. This notice will be included in timber sale contracts.

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**Scope:** (All State Forest Land and Affected Divisions): ☒ State Forest Land ☒ Other: State Forest facilities  
☒ DNR – FMFM ☒ DNR – Wildlife ☒ DNR – Fish ☒ DNR – Law ☐ DNR – Parks

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**Responsibility and Role:** (Staff who will implement or supervise this instruction)

Job Title/Division	Role
Forester & Forest Technicians/FMFM	Propose and administer Department contracts.
Unit Managers/FMFM	Approve contract proposals. Process notices of illegal activities. Supervise administration of contracts and implementation of this work instruction.
FMFM Division office	Approve contract proposals. Maintain contract documents.
Contract administrators	Administer insurance, safety and BMP training requirements of contracts.
Recreation Section leader/FMFM	Provide BMP requirements and training to grant sponsors.
Conservation officers/LED	Enforce state law and address violations.
Other DNR staff	Provide FMFM Unit Manager with information on issues relating to this work instruction, e.g. legal compliance, contract fairness and contract administration.

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**Training/Skills:** (Those required to accomplish work instruction)

Item	Brief Description of Skill or Course	Exists/ New
BMP training	BMP training for contract administrators	<input checked="" type="checkbox"/> E <input type="checkbox"/> N

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**References:**

- DNR Administrative Procedure 13.01-01 - DNR Procurement Quick Reference Guide and DNR Administrative Procedure [13.01-02 - Acquisition of Commodities and Services Implementing Executive Directives 2004-8, 2004-9](#)
- Insurance requirements, [http://www.michigan.gov/doingbusiness/1,1607,7-146-6592\\_13075---,00.html](http://www.michigan.gov/doingbusiness/1,1607,7-146-6592_13075---,00.html)
- Information circulars for firewood permits, FMFM Word template IC-4166
- DNR policy 19.05 dated 9-13-2004, Safety Program – Personal Protective Equipment Policy

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**Monitoring:**

- Trail inspection reports.
  - DNR vendor database
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**Records:**

- Insurance certificates on.
- DNR vendor database
- Chain of custody notices.
- Contracts
- Michigan Accounting Information Network